

**RESOLUTION NO. 4
SERIES 2007**

A RESOLUTION OF THE CITY OF GUNNISON SETTING THE BALLOT TITLE AND CONTENT OF A BALLOT ISSUE TO BE REFERRED AT THE CITY'S REGULAR ELECTION TO BE HELD MAY 8, 2007, WHICH BALLOT ISSUE TO AUTHORIZE AN INCREASE TO THE RATE OF THE CITY SALES AND USE TAX, PROVIDES FOR A TERMINATION DATE FOR A PORTION OF SUCH TAXES, PROVIDES FOR THE DEPOSIT OF SUCH TAXES INTO A CITY PARK AND RECREATION FUND, RESTRICTS THE USE OF MONEYS IN SAID FUND FOR PARK AND RECREATION PURPOSES, AND AUTHORIZES THE ISSUANCE OF REVENUE BONDS.

WHEREAS, the City of Gunnison, Colorado (the "City"), is a municipal corporation duly organized and operating under a home rule charter (the "City Charter") the Constitution of the State of Colorado; and

WHEREAS, pursuant to Section 7.9 of the City Charter, special funds may be created by ordinance to provide for moneys to be held or used for special purposes and the City Council of the City (the "City Council") has determined to establish a City Park and Recreation Fund for park and recreation purposes including, but not limited to (i) constructing, acquiring and improving capital improvements, (ii) acquiring and improving real property interests and equipment, (iii) operating and maintaining capital improvements, real property interests and equipment and (iv) providing for the payment of revenue bonds issued for such purposes; and

WHEREAS, pursuant to the Gunnison Municipal Code the City presently imposes a sales tax at the rate of 3.00% pursuant to Section 3.10.060 of the Gunnison Municipal Code and a use tax at the rate of 3.00% pursuant to Section 3.10.290 of the Gunnison Municipal Code; and

WHEREAS, the source of revenue for the City Park and Recreation Fund will be the revenues generated from a rate increase in the City sales and use tax of 1.0% (which represents a one cent increase on each dollar) commencing July 1, 2007, to continue for a period of twenty-five years, with a decrease in the tax rate from 1.0% to 0.25% (which represents a one-quarter cent increase on each dollar) on July 1, 2032; and

WHEREAS, pursuant to Sections 8.1 and 8.5 of the City Charter, the City may issue securities payable solely from revenues other than the proceeds of ad valorem property taxes including, without limitation, available proceeds of any sales and use tax; and

WHEREAS, Article X, Section 20 of the Constitution of the State of Colorado requires that the City have voter approval in advance for any tax rate increase and for the creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever; and

WHEREAS, pursuant to Section 2.4 of the City Charter the regular City election is to be held on May 8, 2007, and the City Council desires to submit a ballot issue to the qualified electors of the City at said election as set forth in this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, THAT:

Section 1. Setting Ballot Title and Content. At the regular City election to be held on Tuesday, May 8, 2007, there shall be submitted to the qualified electors of the City a ballot issue which shall be in substantially the following form:

SHALL THE CITY OF GUNNISON TAXES BE INCREASED \$1,500,000 (FIRST FULL FISCAL YEAR DOLLAR INCREASE) ANNUALLY AND SHALL THE CITY OF GUNNISON DEBT BE INCREASED BY AN AMOUNT NOT TO EXCEED \$9,500,000, WITH A MAXIMUM REPAYMENT COST OF \$19,500,000; SUCH TAXES TO CONSIST OF A RATE INCREASE IN THE CITY SALES AND USE TAX OF 1.0% (WHICH REPRESENTS A ONE CENT INCREASE ON EACH DOLLAR) COMMENCING JULY 1, 2007, TO CONTINUE FOR A PERIOD OF TWENTY-FIVE YEARS, WITH A DECREASE IN THE TAX RATE FROM 1.0% TO 0.25% (WHICH REPRESENTS A ONE-QUARTER CENT INCREASE ON EACH DOLLAR) ON JULY 1, 2032; SUCH DEBT TO CONSIST OF REVENUE BONDS PAYABLE FROM THE AUTHORIZED SALES AND USE TAX AND ISSUED FOR THE PURPOSE OF:

- CONSTRUCTING AND EQUIPPING POOL FACILITIES TO INCLUDE A RECREATIONAL LAP POOL AND A WARM WATER THERAPY POOL;
- CONSTRUCTING AND EQUIPPING AN ENCLOSED REFRIGERATED ICE RINK FACILITY;
- CONSTRUCTING A NON-MOTORIZED TRAIL SYSTEM AROUND THE CITY AND ACQUIRING TRAIL EASEMENTS;

AND TO THE EXTENT FUNDS ARE AVAILABLE FOR THE PURPOSE OF CONSTRUCTING, ACQUIRING AND EQUIPPING OTHER PARK AND RECREATION IMPROVEMENTS, SUCH BONDS TO BE DATED AND SOLD AT SUCH TIME, AND AT SUCH PRICES (AT, ABOVE OR BELOW PAR) AND CONTAINING SUCH TERMS, NOT INCONSISTENT HEREWITH, AS THE CITY COUNCIL MAY DETERMINE; SHALL THE INCREASE IN THE CITY SALES AND USE TAX BE DEPOSITED INTO A CITY PARK AND RECREATION FUND AND USED SOLELY FOR PARK AND RECREATION PURPOSES INCLUDING, BUT NOT LIMITED TO (I) CONSTRUCTING, ACQUIRING AND IMPROVING CAPITAL IMPROVEMENTS, (II) ACQUIRING AND IMPROVING REAL PROPERTY INTERESTS AND EQUIPMENT, (III) OPERATING AND MAINTAINING CAPITAL IMPROVEMENTS, REAL PROPERTY INTERESTS AND EQUIPMENT AND (IV) PROVIDING FOR THE PAYMENT OF REVENUE BONDS ISSUED FOR SUCH PURPOSES; AND SHALL THE TAX REVENUES DEPOSITED IN THE CITY PARK AND RECREATION FUND AND ALL EARNINGS THEREON (REGARDLESS OF AMOUNT) CONSTITUTE A VOTER-APPROVED REVENUE CHANGE, AND AN EXCEPTION TO THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

Section 2. Challenges to Ballot Title and Content. For purposes of C.R.S. § 1-11-203.5, this Resolution shall serve to set the title and content of the ballot issue set forth herein and the ballot title for such ballot issue shall be the text of the ballot issue itself. Any petition to contest the form or content of the ballot title must be filed with the District Court in and for Gunnison County and a copy served on the City Clerk within five days after the date of publication of this Resolution.

Section 3. Conduct of Election. The officers and employees of the City are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution.

Section 4. Effect of Election Results. If a majority of the votes cast on the ballot issue submitted at the election shall be in favor of the ballot issue, the City Council shall take such action, by ordinance, to amend the Gunnison Municipal Code to incorporate the ballot issue so approved consistent with the terms and provisions of the ballot issue. Additionally, the City, acting through the City Council, shall be authorized to proceed with the necessary action to issue bonds in accordance with the ballot issue and such authority shall be deemed and considered a continuing authority to issue the bonds at any one time, or from time to time, and neither the partial exercise of the authority so conferred, nor any lapse of time, shall be considered as exhausting or limiting the full authority so conferred.

Section 5. Ratification of Prior Actions. All actions not inconsistent with the provisions of this Resolution, heretofore taken by the members of the City Council and the officers and employees of the City, directed toward holding the election for the purposes stated herein are hereby ratified, approved and confirmed.

Section 6. Repealer. All prior acts, orders or resolutions, or parts thereof, by the City in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

Section 7. Severability. If any section, paragraph, clause or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution, it being the intention that the various parts hereof are severable.

Section 8. Effective Date and Publication. This Resolution shall take effect immediately upon its passage. The City Clerk is hereby directed to provide for the printing of this Resolution one time, in a newspaper of general circulation in the City.

INTRODUCED, READ, PASSED AND ADOPTED by the City Council of the City of Gunnison, Colorado, at a regular meeting held this 27th day of February, 2007.

Mayor

(SEAL)

ATTEST:

City Clerk

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